

## **MLAR STATISTICS: March 2014 edition**

Residential loans to individuals (Regulated and Non-regulated)

<b>Table name</b>	<b>Sub table reference</b>	<b>Description</b>
Summary 1	A	New business volumes
	B	New business characteristics
Summary 2	B	New business characteristics (continued)
	C	Loan book position at end of period
Summary 3	D	Arrears & Provisions: unsecuritised and securitised loans

**Table (1)**  
**Residential loans to individuals**

Last updated: 11 March 2014

Not seasonally adjusted

**Residential loans to individuals: Regulated + Non-regulated**

		2012		2013			
		Q3	Q4	Q1	Q2	Q3	Q4
<b>Sub table reference</b>							
<b>A New business volumes</b>							
Gross advances	£ millions	39,595	39,397	33,981	41,651	49,539	51,474
Net advances	£ millions	5,602	4,208	1,221	5,124	7,234	8,997
New commitments	£ millions	35,934	36,885	35,452	47,509	50,491	50,284
<b>B New business characteristics: gross advances</b>							
Interest rates: basis and average rates							
Per cent of business at fixed rates	Per cent	55.98	63.55	70.69	75.26	77.31	80.26
Overall weighted average interest rates:							
Fixed rate loans	Per cent	4.33	4.10	3.80	3.58	3.40	3.30
Variable rate loans	Per cent	3.32	3.30	3.28	3.14	3.07	2.99
<b>All loans</b>	<b>Per cent</b>	<b>3.89</b>	<b>3.81</b>	<b>3.65</b>	<b>3.47</b>	<b>3.32</b>	<b>3.25</b>
Purpose of loan							
(i) As per cent of gross advances (£ amounts)							
House purchase	Per cent	66.24	66.04	63.37	64.95	67.61	68.24
Of which: First time buyers	Per cent	18.22	19.10	18.25	19.09	20.03	20.58
Buy to let	Per cent	10.41	11.04	12.05	12.12	11.85	12.79
Other	Per cent	37.61	35.91	33.07	33.73	35.73	34.87
Further advances	Per cent	3.15	2.83	3.51	2.99	2.69	2.54
Remortgage	Per cent	27.19	27.86	29.44	28.26	26.54	26.48
Other	Per cent	3.42	3.27	3.68	3.80	3.16	2.74
(ii) As per cent of New Commitments (£ amounts)							
House purchase	Per cent	65.49	63.52	62.86	67.06	64.90	66.07
Remortgage	Per cent	29.17	30.80	30.77	27.48	30.09	29.10
Other	Per cent	5.35	5.68	6.37	5.45	5.01	4.83

**Notes to table**

**Explanatory notes**

**Table (2)**  
**Residential loans to individuals**

Last updated: 11 March 2014

Not seasonally adjusted

**Residential loans to individuals: Regulated + Non-regulated**

		2012		2013			
		Q3	Q4	Q1	Q2	Q3	Q4
Sub table reference							
<b>B New business characteristics: gross advances - continued</b>							
Loan to Value (LTV) and Income Multiple							
LTV: Per cent of gross advances (£ amounts)							
Under 75%	Per cent	68.10	66.26	67.02	65.23	65.13	64.60
75 < 90%	Per cent	29.58	31.65	30.90	32.29	32.73	33.25
90 < 95%	Per cent	1.87	1.71	1.62	2.02	1.69	1.73
Over 95%	Per cent	0.44	0.37	0.46	0.46	0.46	0.42
High Income Multiple by LTV: Per cent of gross advances (£ amounts)							
Over 90 < 95%	Per cent	1.11	1.03	1.02	1.31	1.05	1.19
Over 95%	Per cent	0.27	0.20	0.25	0.29	0.27	0.30
All over 90%	Per cent	1.38	1.22	1.27	1.60	1.32	1.49
Credit History: as per cent of gross advances (£ amount)							
Loans with impaired credit history	Per cent	0.25	0.29	0.24	0.20	0.19	0.19
Loans without impaired credit history	Per cent	99.75	99.71	99.76	99.80	99.81	99.81
<b>C Of which: First time buyers</b>							
Loan balances outstanding at end of period							
Unsecuritised	£ millions	1,102,516	1,106,221	1,109,628	1,113,719	1,122,708	1,131,904
Securitised	£ millions	124,803	122,444	118,315	115,998	111,112	106,436
Overall residential loans to individuals	£ millions	1,227,319	1,228,665	1,227,942	1,229,717	1,233,820	1,238,340

**Notes to table**

High income multiples are:

- (a) Single income: 3.50 x or more
- (b) Joint income: 2.75 x or more

**Explanatory notes**

**Table (3)**  
**Residential loans to individuals**

Last updated: 11 March 2014

Not seasonally adjusted

**Residential loans to individuals: Regulated and Non-regulated**

		2012		2013			
		Q3	Q4	Q1	Q2	Q3	Q4
Sub table reference							
<b>D Arrears &amp; Provisions: Unsecuritised and Securitised loans</b>							
Arrears cases at end of Qtr							
Number of loan accounts	Units	303,163	297,572	299,520	292,178	279,649	264,862
Balances outstanding	£ millions	30,140	29,558	29,336	28,472	27,138	25,985
Balances as per cent total loan balances	Per cent	2.46	2.41	2.39	2.32	2.20	2.10
Arrears cases at end of Qtr analysed by degree of severity							
(i) Balances in arrears as per cent of total loan balances							
1.5 < 2.5% in arrears	Per cent	0.76	0.74	0.74	0.72	0.68	0.65
2.5 < 5% in arrears	Per cent	0.80	0.79	0.79	0.77	0.73	0.69
5 < 7.5% in arrears	Per cent	0.32	0.32	0.31	0.30	0.29	0.28
7.5 < 10% in arrears	Per cent	0.15	0.15	0.14	0.14	0.14	0.14
Over 10% in arrears	Per cent	0.24	0.24	0.24	0.24	0.24	0.23
Of which: First time buyers	Per cent	0.18	0.16	0.15	0.14	0.13	0.11
<b>TOTAL</b>	<b>Per cent</b>	<b>2.46</b>	<b>2.41</b>	<b>2.39</b>	<b>2.32</b>	<b>2.20</b>	<b>2.10</b>
<b>Total (excl. 1.5 &lt; 2.5% band)</b>	<b>Per cent</b>	<b>1.70</b>	<b>1.66</b>	<b>1.65</b>	<b>1.60</b>	<b>1.52</b>	<b>1.44</b>
(ii) Number of cases in arrears as per cent total number of loans							
1.5 < 2.5% in arrears	Per cent	0.57	0.59	0.60	0.58	0.55	0.53
2.5 < 5% in arrears	Per cent	0.62	0.64	0.65	0.63	0.61	0.58
5 < 7.5% in arrears	Per cent	0.26	0.27	0.27	0.26	0.25	0.24
7.5 < 10% in arrears	Per cent	0.13	0.14	0.14	0.14	0.13	0.13
Over 10% in arrears	Per cent	0.34	0.36	0.36	0.36	0.36	0.34
In possession	Per cent	0.10	0.09	0.09	0.08	0.08	0.07
<b>TOTAL</b>	<b>Per cent</b>	<b>2.01</b>	<b>2.08</b>	<b>2.11</b>	<b>2.06</b>	<b>1.98</b>	<b>1.90</b>
<b>Total (excl. 1.5 &lt; 2.5% band)</b>	<b>Per cent</b>	<b>1.44</b>	<b>1.50</b>	<b>1.51</b>	<b>1.48</b>	<b>1.43</b>	<b>1.36</b>
Possession cases: movements & stocks							
New possessions in Qtr	Units	8,521	7,792	8,092	7,795	7,349	6,137
Possessions cases sold in Qtr	Units	8,687	9,447	8,499	8,506	7,973	7,626
Stock of possessions at end Qtr	Units	14,889	13,321	12,877	12,034	11,326	9,962
Memorandum information at end of Qtr							
Loan book: number of loan accounts	Units	15,062,773	14,272,811	14,209,577	14,168,812	14,115,675	13,957,529
Loan book: balance outstanding	£ millions	1,227,319	1,228,665	1,227,942	1,229,717	1,233,820	1,238,340

**Notes to table**

**Explanatory notes**

## MLAR STATISTICS TABLES

### Notes on the basis of our numbers of loans, arrears and possession cases

#### Number of loan accounts:

Represents the number of individual loan accounts, and covers:

- *1st charge loans*
- *2nd and subsequent charge loans (where the borrower takes an extra loan from another lender)*
- *some further advance loans*. This applies in cases where a 1st charge lender grants a further advance on the original mortgage, but for administrative purposes treats it as a separate loan account.

This is also influenced by MLAR monitoring regulated loans and non-regulated loans separately. As a consequence of this, most 2nd charge loans go into a separate reporting category (non-regulated).

As a result, our "number of loan account" figures are on a different basis to, and materially higher than, those published by CML on numbers of mortgages.

#### Number of loan accounts in arrears:

This number does not represent the number of borrowers in arrears.

It represents the number of individual loan accounts in arrears, and covers arrears arising on:

- *1st charge loans*
- *2nd and subsequent charge loans (where the borrower takes an extra loan from another lender)*
- *some further advance loans*. This applies in cases where the 1st charge lender establishes a further advance on the original mortgage as a separate loan account, but is unable to combine the two accounts for MLAR arrears reporting purposes.

As a result, our arrears numbers are on a different basis to, and materially higher than, those published by the CML on number of *1st charge mortgages in arrears*. As such, the CML measure is more a measure of the number of borrowers in arrears.

More importantly however, our reporting threshold for arrears is "loan accounts where arrears amount to 1.5% or more of loan balances", in contrast to CML's which is 2.5%, and so our "numbers" will always be materially higher as they cover a wider spectrum.

#### Number of possession cases

This number does not represent the number of borrowers that have been subject to possession

It represents the number of individual loan accounts in possession, and covers possessions arising on:

- *1st charge loans*
- *2nd and subsequent charge loans (where the borrower takes an extra loan from another lender)*

In practice however, where a borrower has 1st and 2nd charge loans with separate lenders, it will not always be the case that both lenders report their loan accounts as a possession. So our possession figures will be closer to, but necessarily still somewhat higher than, CML estimates.